

# *Health Care Authority* Strategic Plan

2007-09

## VISION:

Shaping the Future of Health Care

## MISSION:

HCA is a leader in health care policy, purchases quality health care and other benefits, and provides excellent service for its programs.

June 1, 2006

# *Health Care Authority*

## **Strategic Plan to 2009**

June 1, 2006

### **INTRODUCTION**

Over this past year, leadership has discussed the vision for the Health Care Authority (HCA) and where it needs to go as an organization over the next several years. The Health Care Authority's Strategic Plan reflects the health care and economic challenges that our state faces. The following steps were completed to develop the roadmap to HCA's future directions:

- Reviewed data and information about external environment; including issues facing the agency, Governor priorities, and initiatives from Legislature;
- Reviewed agency Vision and Mission, updating to reflect current and upcoming environment;
- Completed employee survey, incorporating results into strategic planning process;
- Conducted self-assessment with extended management members, identifying area of strengths and opportunities for improvement;
- Conducted a 360 Leadership Survey with senior management members, discussed results to strengthen overall leadership of agency; and
- Held a variety of management discussions to review goals, ensure clear understanding of expectations for future, the objectives and strategies, and identifying the performance measures which measures progress.

The approach and process listed above have set the stage for identifying the agency's strategic direction. The steps included developing measurable strategies that will help meet goals, in addition to monitor performance in those efforts. This strategic plan speaks to how the agency will accomplish its goals, in addition to be meaningful to staff in the organization and align to common goals.

### **COMMON THEMES SURFACE DURING MANAGEMENT SELF-ASSESSMENT EFFORTS**

In preparation for strategic planning efforts, self-assessment focus teams consisting of agency managers identified what is working well and any gaps that need attention. The outcomes resulted in building a base level of knowledge, completing the assessment, compiling data/information, and discussing the strengths and opportunities in preparation of developing an effective strategic plan. These efforts and investment of time contributed to desire for maintaining a high performance environment. The following represents common themes that surfaced during focus group discussions:

#### **Working Well:**

- **Agency focus and direction:** Administrator and Deputy Administrator's leadership and agency direction (stabilizing focus and priorities)
- **GMAP:** Round 1 great, Round 2 continue with measuring performance related to goals

- Transparency of information: customer access to information and staff

### Room for Improvement

- Communication efforts: create consistency, share information internally, obtain feedback, cross division/program planning and problem solving, communications efforts to all levels within agency
- Recognition efforts: consistently recognize agency successes and staff contributions
- Leadership/Staff development: develop staff for current and/or future roles, provide growth opportunities, action plan for meeting training needs
- Proactive planning: strategically plan agency business direction and focus, communicate priorities, appropriate allocation of resources (FTE/\$), decisions for benefit of HCA and its customers – goal of being proactive vs. reactive in business initiatives
- Data collection and management: confirm business need and value added in data collected, plan for immediate and future data needs (need internally and externally) – need for consistency throughout HCA environment
- Human resource management: staff training to meet business needs (\$ and opportunities); clear expectations of roles; ensure staff accountable for work results and behaviors; provide coaching to foster respectful workplace; maximize Performance Development Plan tool to manage, recognize, and identify expectations of staff; identify the knowledge, skills, and abilities within agency to help complete agency business
- "HCA Team": continue to build a cohesive HCA team working to achieve mission for the benefit of all customers (avoiding silos)

### Gap Areas

- New employee orientation: orient to agency business, priorities, mission (outside of on-payroll paperwork)
- Data management: who (who manage data), what (what data), how (how manage, store, retrieve data); need for consistent and reliable system; build internal capacity

## **BUSINESS PLAN STRUCTURE REFLECTS GOALS, OBJECTIVES, STRATEGIES, AND PERFORMANCE MEASURES**

The Health Care Authority Strategic Plan marks a departure from previous plans. The development process and resulting structure of significant components are key to successful progress. The 2007-09 Strategic Plan:

- Aligns with and supports the Governor's priorities,
- Reflects a connection to our agency budget activities,
- Organized by goals directly relative to Vision, Mission, and core business of agency,
- Works towards creating a sustainable, affordable, high-quality health care system and make Washington's people the healthiest in the world,
- Reflects strategies and performance measures that align with and support agency goals – ensuring accountability by identifying Executive Sponsors, and

- Reflects a commitment to and emphasis on improving cost and quality of health care.

The above aspects of the plan reflects a “planning drives budget” approach to our business and is intended to link financial, program, and management information.

## STRATEGIC APPROACH AND ALIGNMENT

HCA's leadership approach is to build a plan of action that maximizes resources, taking proactive steps in managing the current and future health care environments in Washington State. Strategic planning efforts reflect a performance-based approach to management of HCA business and initiatives.

HCA's planning efforts reflect and align with Priorities of Government (POG) and Government Management, Accountability and Performance (GMAP) reviews at the Governor's level. This approach is a logical alignment of the Office of Financial Management (OFM) and HCA business initiatives, ensuring accountability for identified performance measures. HCA is working to incorporate changes and improve existing practices that will:

- Ensure strategic initiative efforts are aligned with budget planning;
- Build capacity within HCA leadership to effectively review performance outcomes and measures;
- Review initiatives and performance measures on consistent basis to ensure accountability, creating opportunities to recognize successes and manage issues that surface;
- Continue to manage resources that support HCA's Strategic Plan.

HCA is working across boundaries within the agency and with other agencies/organizations to make an impact in an ever changing health care system. The plan reaches across divisions to provide an integrated, agency-wide vision for the future.

## IMPROVING COMMUNICATIONS AND DECISION-MAKING EFFORTS

In an effort to increase communications and incorporate strategic planning as an ongoing part of agency business, periodic reviews of identified strategies and resource allocations is done – this forum is called '*HCA Internal GMAP*'. This process supports the Governor's GMAP focus on improving the results of state government. GMAP is a success in HCA, agency managers value the dialogue and ability to problem-solve program and/or business challenges. After initial few monthly report outs, it was evident for need to discuss what is not working as well as celebrating what is. Outside of improving cross-program communications, GMAP enables leadership to better manage issues, take a proactive approach, and to stop doing things that don't make sense.

## APPRAISAL OF EXTERNAL ENVIRONMENT (Health Care Marketplace Issues)

Even though the United States spends more per capita on health care than any other nation, safe, quality and affordable care is not always available to consumers. Cost growth for United States health care significantly outpaces that of both real wages and business revenue. In 2000, 69% of employers offered coverage to their employees, now only 60% do so.<sup>1</sup> In Washington State, annual state spending on health

<sup>1</sup> Kaiser Family Foundation's [2005 Employer Health Benefits](#) survey.

care rose \$1.8 billion since the year 2000, with Medicaid and state employee health care costs doubling in this time. By 2006, over \$700 million that could have gone to public safety, transportation, or other priorities in 2000, will instead be spent on health care.

Yet, rising costs do not guarantee health status improvements even for those able to afford care. Consumers are presented with a barrage of information via the internet or advertising. Yet resources to evaluate the reliability of such information remain insufficient. Outcome data for treatments and facilities is limited. A 2004 study ([Donohue and Berndt](#)) notes that direct to consumer advertising (DTCA) spending increased from \$266 million in 1994 to \$2.6 billion in 2002. Patients increasingly ask for advertised drugs by name, even though the advertised drugs may be more expensive and no more effective, and riskier than older drugs. Still, DTCA is still not the industry's preferred marketing method. A 2002 study ([Rosenthal et al.](#)) notes that, as of 2000 over 80% of the industry's advertising funds were spent on direct promotion to providers. Troubling questions about attempts to influence provider behavior through published literature are raised by [Ridker and Torres](#), who report that industry funded trials appear more likely to report positive findings than those funded by non-profit organizations.

### Emerging Conceptual Trends

Strategies to overcome the challenges posed by our health care system often focus on directly changing the behavior of providers and consumers through a variety of incentives. However, strategies aimed at changing how information flows through the market are emerging.

On the provider side, strategies often focus on using evidence-based guidelines (to reduce uncertainty in decision making), and available health information technology (HIT) (to improve care efficiencies and outcomes). Medical information kept on paper is not easily transmitted. About 30% of medical testing is unnecessary, and occurs only due to poor communication between doctors. Integrated HIT systems allow electronic transmission of data to the point of care and simplify access to evidence-based protocols.

On the consumer side, strategies include educating patients about real health care costs and the consequences of their lifestyle choices. Only patients with access to information on treatment options, costs of care, provider and hospital quality and outcomes data can make rational care choices accounting for medical and economic factors. Benefit designs incentivising healthy behavior and prudent choices (for example, generic drugs) are also increasingly being offered.

These issues are closely linked with the provision of needed information to policy makers. HIT adoption aids transparency efforts by simplifying reporting of clinical data for public health, or quality improvement efforts. Third parties without a financial interest in emerging technologies or pharmaceutical treatments can bring integrity to reviews of their efficacy. Such information made public, empowers patients and providers to work together toward informed care decisions.

### Governor's Strategy

Governor Gregoire recognizes that affordability predicates access to health care. As defects and inefficiencies in care drive costs, her strategy aims to increase access by improving care quality. Its five points are practically embodied in a set of directives and request legislation:

- 1) Emphasize evidence-based health care: In 2006, the Legislature passed [ESSHB 2575](#) establishing the State Health Technology Assessment Program (SHTAP). This program will evaluate the efficacy of medical devices, procedures, diagnostic tests, and services.
- 2) Promote prevention, healthy lifestyles, and healthy choices: Governor Gregoire has issued [Directive 06-03](#) creating the Washington State Employee Health & Productivity Committee. Among other duties, the committee will identify state agency resources to implement “wellness programs for state employees, retirees, and their families”.
- 3) Better manage chronic care: Governor Gregoire has issued [Directive 06-02](#) directing HCA, Department of Social and Health Services (DSHS), and Department of Health (DOH), to collaborate on an initiative to improve chronic illness care in Washington State and develop a new patient-centered model of disease management.
- 4) Create more transparency in the health system: Governor Gregoire has issued [Directive 06-01](#) directing the creation of a Health Outcomes Advisory Committee to evaluate performance measure data, incorporate evidence-based measures in contracts, and examine the feasibility of collecting fee-for-service performance measures.
- 5) Better use of health information technology (HIT): In 2006, the Legislature passed [SHB 2573](#) which directs HCA to promote HIT adoption through pilot projects, purchasing, and reimbursement strategies.

#### Legislative Scan

In addition to the Governor’s request bills described above, a number of legislative efforts have focused on health care issues. Some bills directly affecting HCA include:

- [HB 2517](#): Did not pass. Would mandate a minimum corporate spend on health care benefits (“fair share”). Expected to again be addressed next session.
- [ESHB 3079](#): Passed. Directs HCA and DSHS to create a report to identify those employers who could be seen as shifting their health care costs to the state.
- [ESSHB 2572](#): Passed. Subject to available funds, directs HCA to create a Small Employer Health Insurance Partnership to subsidize coverage for small business employees.
- [ESSSB 6459](#): Passed. Created the Community Health Care Collaborative Grant Program.
- [SSHB 2583](#): Passed. Expands Public Employees Benefits Board (PEBB) eligibility for part-time community college staff with an average workload of more than 50% over the period of an academic year.
- [EHB 1383](#): Passed. Directs HCA to offer a Health Savings Account compatible high deductible health plan.

## DISCUSSION OF MAJOR PARTNERS

- **Interagency Collaboration on Prescription Drug Purchasing:** HCA is leading an interagency project for consolidation of prescription drug programs. Initially, the project involves establishing a mail order pharmacy option for Health Resource Services Administration (HRSA) fee-for-service clients; collaboration with the state of Oregon on a preferred drug list; and joint procurement of pharmacy benefit management (PBM) services for HCA/Uniform Medical Plan (UMP) and HRSA fee-for-service programs beginning January 2004. The Department of Labor & Industries (L & I) may also participate

in some aspects of this project. The consolidation will give state agencies better leverage in negotiating reduced administrative fees, better drug prices, and improved rebates. This will also permit consolidation of data, as well as improved utilization and clinical management.

- **Washington Wellness Works:** In collaboration with DOH, HCA is the lead on the Governor's Directive on Employee Wellness. The goal of the directive is to implement a program that will assist in improving the overall health and fitness of our state employees, retirees, and their dependents. HCA is in partnership with all other state agencies, universities, community and technical colleges and, retiree associations to identify models and opportunities for on-site wellness initiatives; encourage the use of a health risk assessment; coordinate wellness fairs and activities; and encourage appropriate health screenings for state employees. Plans are underway to develop an evaluation effectiveness process and set goals and measurers. Developing collaborative partnerships throughout the state will be a major component of the success of this program.
- **Health Care Procurement:** HCA and HRSA collaborate health plan procurement for the Basic Health (BH) and Healthy Options Programs. Each agency develops the requirements for its programs. The agencies develop common criteria and standards covering quality improvement programs, provider network access, financial status, and information reporting. The agencies also coordinate stakeholder activities, include joint meetings with health plans, health care providers, and other interest groups.
- **TEAMonitor:** HCA, HRSA and DOH, through an interagency agreement, work together to monitor health plans that contract to provide coverage for PEBB, BH, and Healthy Options Programs. The Medical Directors and a team from each agency work together to monitor plan compliance with the quality standards established in the procurement process. Activities include on-site audits of health plans, a detailed evaluation of each health plan's level of compliance and development of a corrective action plan to address areas of concern.
- **Basic Health Program:** HCA and HRSA work together to coordinate the enrollment of children into the Healthy Options Program through BH. Families may apply for BH for the parents and Basic Health Plus for the children. HRSA reviews the eligibility of the children for Basic Health Plus. This process allows families to apply for coverage for all family members at one time and have all family members enrolled in the same health plan and see the same group of health care providers (wherever possible).

HCA and HRSA coordinate the provision of maternity services for subsidized BH enrollees through Healthy Options. BH enrollees are transferred to Healthy Options during the time they receive maternity services. Basic Health also partners with various community groups who provide application assistance and/or serve as financial sponsors for BH members.

- **Public Employees Benefits Board Program:** PEBB works closely with state agency and higher education payroll and benefits offices to coordinate training, communications, program changes, and open enrollment. PEBB staff coordinate with the Department of Retirement Systems (DRS) on a Quality Improvement Team to better serve the agencies common customers, state retirees, including all K-12. The team works to streamline communications from both agencies to retirees. Also, HCA staff participates in DRS pre-retiree seminars to provide information and answer health insurance

related questions. Over 150 political subdivisions, Educational Service Districts, and K-12 school districts also participate with PEBB on a voluntary basis to provide their employees insurance products.

- **Community Health Services (CHS):** HCA's state grant program for community health clinics provides access to health care for low-income residents who do not qualify for any other coverage such as Healthy Options and BH, in conjunction with various agencies including the federal Public Health Service, HRSA, and DOH. CHS, through its work with providers and other stakeholders, collects, analyzes and disseminates health clinic data. CHS is a principal source of financial and utilization information on community health clinics in Washington State.
- **Clinical Outcomes Assessment Program (COAP/ SCOAP):** HCA, in conjunction with various state health agencies, providers and other stakeholders, including the Foundation for Health Care Quality, is collecting, analyzing and disseminating health care outcome data to improve quality for the entire state population in certain high-cost and/or high-frequency clinical procedures (i.e., Coronary Bypass Surgery, appendectomy, etc). The programs' goal is to promote mechanisms for providers to develop and evaluate quality improvement programs and reduce safety concerns using outcome data, while maintaining patient confidentiality.
- **Prospective Payment Systems:** HCA coordinated a project with HRSA and L & I to develop and implement the Resource-Based Relative Value Scale, a uniform system for reimbursement of physicians for use by UMP, L & I, and the HRSA fee-for-service program. UMP continues to provide analysis to HRSA and L & I for the development of fee schedules using this methodology.

HCA, HRSA, and L & I recently completed an interagency project to implement a prospective payment system for reimbursement of outpatient facility costs for UMP, L & I, and HRSA fee-for-service program. Objectives include providing uniformity in state reimbursement methodologies and providing agencies with data to analyze outpatient utilization. UMP and L & I implemented services beginning January 1, 2002. The overall impact on UMP claims costs is expected to be a reduction of more than \$3 million per year.

- **Customer service and quality indicators:** HCA and HRSA have worked with other state and national organizations to develop and implement a standard survey tool to measure consumer experience and quality outcomes with health care plans. The agencies are currently working with health plans that contract with PEBB, BH, and Healthy Options to assure that each plan will be using the survey tool and the information will be made available to the enrollees of all three programs.
- **Integrated Provider Network Directory (IPND):** HCA participates in a project in coordination with HRSA to provide a directory of all health care providers that contract to provide health care services to PEBB, BH, and Healthy Options. The directory cross-references each provider by program and by the health plans with which they participate. The HCA, HRSA, and the Office of the Insurance Commissioner (OIC) are in the process of standardizing provider network data submissions from the health plans.
- **Washington Health Information Collaborative (the Collaborative):** The collaborative is a public-private partnership of First Choice Health, HCA, Qualis Health, and the Puget Sound Health Alliance to



provide \$1 million in technology awards that will be available to help doctors deliver better care. First Choice and HCA are each funding \$500,000 in awards to various entities to assist them in the development of innovative technology to improve safety and quality of care through the use of electronic medical records and aggregate data for improved decision making. The award recipients will be announced in the fall. More information can be obtained at <http://www.wahealthinfocollaborative.org/>.

- **Puget Sound Health Alliance:** The Puget Sound Health Alliance is a regional partnership involving employers, physicians, hospitals, patients, health plans, and others working together to improve quality and efficiency while reducing the rate of health care cost increases across King, Kitsap, Pierce, Snohomish, and Thurston Counties. Alliance participants agree to use evidence to identify and measure quality health care, then contribute to and produce publicly-available comparison reports designed to help improve health care decision making and provision of quality health care services.
- **Washington Health Foundation (WHF):** This is a non-profit organization that has been active in the promotion of quality health care for the state of Washington. The organization believes that health systems and healthy living lead to improved health care outcomes. WHF initiated the "Healthiest State in the Nation Campaign" for the state of Washington; HCA and DOH are leading partners for progress on this initiative. Recognizing that prevention is better than cure – and is cheaper for the health care system, the campaign was kicked off last year by Governor Gregoire in conjunction with the American Heart Association's Puget Sound Health Walk. WHF has chosen to track key indicators of illness, disability, and death. There are six measures of a healthy system and six measures to gauge healthy living. Washington ranks 35<sup>th</sup> in summary measure of health system quality and 29<sup>th</sup> in preventive care. In collaboration with WHF's educational efforts, HCA and DOH are leading the efforts for a program titled: Washington Wellness Works. HCA's contribution to this effort includes distribution of WHF's Thrive! Magazine to state employees as well as a regular column written by the HCA medical staff in conjunction with other state agencies medical directors.
- **State Health Technology Assessment Program (SHTAP):** Authorized by ESSHB 2575 in 2006, the SHTAP is an effort by the state to employ evidence-based medicine principles to its purchasing of health care. The program will determine (in collaboration with the affected agencies) which health technologies to evaluate, contract with an evidence based practice center or similar entity to conduct the technology assessment (which includes gathering, reviewing and evaluating all the scientific and medical evidence regarding that technology), establish, staff and manage a health technology clinical committee that will then take that technology assessment and make a coverage recommendation to the state agencies. Participating agencies include the HCA (self-funded program), DSHS (Medicaid fee-for-service), and L & I.
- **Leapfrog Group:** This group's first members were 50 Fortune 500 entities and HCA. This initiative is now driven by 170 organizations that buy health care who are working to initiate breakthrough improvements in the safety, quality, and affordability of health care for Americans. Leapfrog provides the voice and resources to help health care purchasers drive higher value into health care. It is a voluntary program aimed at mobilizing employer purchasing power to alert America's health industry that big leaps in health care safety, quality, and customer value will be recognized and rewarded. HCA is the Greater Washington Regional Roll Out (RRO) Leader (Boeing is the RRO for the Puget Sound

Region). As the RRO Leader, HCA is working with hospitals outside the Puget Sound Region to take the voluntary Leapfrog Hospital Quality and Safety Survey. HCA works collaboratively with Leapfrog members and RRO Leaders (Boeing and Intel [RRO in Oregon]) on Leapfrog initiatives and issues, particularly as they relate to Washington State. HCA also participates in the Regional Medical Advisory Committee for the group. More information can be obtained at <http://www.leapfroggroup.org>.

- **Washington Patient Safety Coalition (WPSC):** This Coalition is a voluntary organization of which HCA was one of the founders. This group of diverse stakeholders, including the Washington State Hospital Association (WSHA), Washington State Medical Association (WSMA), Qualis, Washington Rural Health Care Network, Virginia Mason, Washington State Nurses Association (WSNA), League of Women Voters, WA State Pharmacy Association, Swedish Hospital, Group Health, First Choice, and Washington Health Foundation are committed to improving quality and reducing errors both in the inpatient and outpatient setting. The WSPC is recognized by DOH as a *Coordinated Quality Improvement Program* (CQIP). The current initiative on outpatient error reduction in prescriptions, being lead by HCA, is in partnership with Bartell Drugs. In addition to increased costs due to incorrect drug dispensing, errors in prescriptions may also lead to unnecessary and costly patient complications.
- **Washington Health Care Forum:** This is a coalition of health plans, physicians, hospitals, and purchasers that have joined together in an attempt to improve the health care system. Their vision is to devise creative, cost effective solutions to increase efficiency of the health care financing and delivery system. Leaders of the organization initially identified two key areas to address: administrative simplification and electronic medical records. These areas represented significant opportunities to reduce paperwork, unnecessary costs, and frustration. The group also works with public officials and community leaders on public policy issues in the health care arena. The resultant standards of claims payment/submission and referrals have been adopted by the Uniform Medical Plan. The standards for credentialing are in the process of implementation. Most recently the group has been looking at ambulatory care issues and quality initiatives in the hospital setting. HCA is an active participant in the latter work group.
- **National Quality Forum (NQF):** This is a non-profit organization composed of over 350 diverse health care entities, representing almost every aspect of the health care system. The organization was created to develop and implement a national strategy for health care quality measurement and reporting. NQF's mission is to improve American health care through endorsement of consensus-based national standards for measurement and public reporting of health care performance data. It is envisioned that utilization of such national standards will provide information about whether care is safe, timely, beneficial, patient centered, equitable, and efficient. Many of the standards produced to date are being used by the Centers for Medicare and Medicaid Services (CMS), Leapfrog, Joint Commission on Accreditation of Health Care Organizations (JCAHO) and other diverse users, providers, and purchasers of health care. HCA has served on several committees including the steering committee for standards for deep vein thrombosis (number one complication in hospital setting) and palliative care (as the population ages, this becomes more of a priority). The HCA, as member of both the purchaser's council and the provider's council, has input into priorities for consideration for consensus-based standards, ability to help develop standards, comments on all standards produced, and has voting rights for all consensus-based standards. These quality standards are at the forefront of national efforts related to quality improvement and elimination of avoidable costs.

- **March of Dimes (MOD):** This is a national, non-profit organization committed to the reduction of premature infant births. Every day 1,280 babies are born prematurely and another 411 babies are born with birth defects. Prematurity is a silent crisis in America and one of the biggest threats the health of our babies in the 21<sup>st</sup> century. The March of Dimes, through its partners, spreads the word about cost-effective interventions that improve infant health. Two examples include smoking cessation and folic acid intake before and during pregnancy. The MOD five-year campaign goal is to increase the awareness about prematurity to 60% of women of childbearing age and 50% for the general population by 2010. While the prematurity rates in Washington are low compared to many other states, serious disparities exist; especially with Native American and African American populations. HCA, partnering with MOD through the grants program, is exploring efforts to pilot projects in the Native communities with interventions aimed at reducing premature infants in this population. Other MOD educational efforts help ensure that practitioners and pregnant women have the latest information related to healthy pregnancies. MOD is participating in the "Healthiest in the Nation Campaign" with the Washington State Health Foundation.
- **American Heart Association (AHA):** This is a national organization whose mission is to decrease the risk of cardiovascular disease and stroke 25% by 2010. Cardiovascular disease is one of the top five cost drivers in health care. Many of the incidents and complications can be reduced or eliminated through education about symptoms, prevention, nutrition, and exercise. HCA has partnered not only with the King County branch of the AHA, but also with ten state affiliate programs in their strategic planning and implementation of the Heart Healthy Campaign. HCA has been an active participant in the GO RED CAMPAIGN held annually in February to educate women about the prevalence and significance of heart disease in women, where the incidence of dying is 1 in 2.5 compared to an incidence of 1 in 30 deaths from breast cancer. Most recently, DOH has also actively partnered in the GO RED CAMPAIGN to increase the awareness of heart disease. These partnerships have resulted in increased educational outreach, participation in the heart walk, and distribution of information about stroke prevention. It is an integral part of the DOH State Health Plan and one of the expected quality improvement efforts for the state contracted health plans. This two-pronged effort is aimed at prevention of disease as well as healthy living.
- **National Committee on Quality Assurance (NCQA):** This is an organization dedicated to improving health care everywhere. It is the source for information about quality in managed care. There are multiple programs that include accreditation, certification, pay for performance, physician recognition, and other quality efforts. NCQA's standards include measurement, transparency, and accountability. HCA collaborates with NCQA, both utilizing their accreditation tool for monitoring of our contracted health plans (PEBB and BH) and active observation during the NCQA on-site portion of the accreditation process that occurs for participating HCA contracted plans.

## AGENCY STAFFING LEVELS

Evaluating workload (existing and upcoming) against staffing levels indicates there is not the staff capacity to meet our organizational needs. In particular, HCA has a shortage of skills in the areas of project design/management, analysis, and supervision of people. Some of this can be developed but anticipate a need to hire. HCA continues to face recruitment and retention problems in Seattle office, less in Lacey. It

is anticipated to see greater difficulties in recruiting (as will most employers) over the coming years as the demand/supply for quality employees becomes more competitive. Any new hires (permanent and/or temporary) will require close attention to monitoring space within existing facilities (Seattle and Lacey). Based on some anticipated temporary project staff, the space forecast is expected to be near capacity.

## AGENCY TECHNOLOGY STATUS

A key component to HCA's strategic planning and performance management efforts is the need for appropriate technology resources. Information Services leadership has developed a strategic plan in support of the agency plan. The high-level strategies are:

- Build a modern help desk
  - Build a process based on Information Technology Infrastructure Library (ITIL)/Information Technology Service Management (ITSM) best practices around incident, change, and problem management
  - Purchase software to automate these processes
  - Implement organizational practices to increase learning at the first tier support level
- Invest in infrastructure
  - Identify and replace end-of-life/at-risk systems
  - Implement a security strategy to decrease risk and increase functionality
  - Leverage existing Department of Information Services to achieve greater economies of scale
- Ramp up for the Benefits Administration and Insurance Accounting System (BAIAS) Project
  - Build an implement modern practices around software configuration and release management
  - Hire additional resources and expertise in support of the effort
- Mature the methodology for information technology (IT) project management
  - Provide training on project management principles
  - Define and institutionalize a methodology for management of IT components of agency initiatives
- Invest in staff development
  - ITIL/ITSM framework for managing IT systems
  - Management and stewardship training for IT managers
  - Identify budget for reoccurring IT training to maintain relevance of knowledge

## FINANCIAL PLAN ASSESSMENT

Health care costs for the Public Employees Benefits Board (PEBB) Program are currently projected to increase at 10 to 12 percent per year in the 2007-09 biennium while cost increases for the Basic Health (BH) are likely to be in the 7 to 9 percent range. HCA is working cooperatively with its actuaries and plan providers to aggressively contain costs. At this time, the agency anticipates being able to offer the current PEBB benefit design and support the current BH baseline enrollment in the upcoming biennium.

HCA is funded by a mixture of appropriated, budgeted non-appropriated and non-budgeted funds. Funding for benefits, direct administration, and a proportionate share of program support related to PEBB come from the non-budgeted Public Employees and Retirees Insurance Account. The PEBB Plan is funded through member premiums and state and other public agency employer contributions. Employee benefit costs are paid directly from this account. Administrative activities are paid through one of three budgeted sub-accounts: Health Care Authority Administrative Account, Uniform Dental Plan Benefits Administration Account, and the Uniform Medical Plan Benefits Administration Account.

HCA receives premium revenue from enrollees in the subsidized Basic Health Program to cover the portion of medical premiums not paid (subsidized) by the state through the Health Services Account. Enrollees in the lowest cost or state benchmark plan are charged on a sliding scale based on income. HCA receives premium revenue from enrollees in the non-subsidized BH to cover the full cost of their health care premiums. For adults, \$10 per member per month is also charged to pay the HCA's administrative costs for the non-subsidized program. Other agency administrative costs related to BH are paid with Health Services Account funds, with some revenue from the Medicaid Program for the costs of administering the accounts of clients eligible for Medicaid.

## HCA GOALS AND PERFORMANCE MEASURES

**GOAL 1:** Cost: Make Public Employees Benefits Board (PEBB) and Basic Health (BH) more affordable for participants and the state.

Performance Measures:

- Annual percent change in PEBB medical premiums compared to annual percent change in state fiscal growth
- Annual percent change in BH medical premiums compared to annual percent change in Health Services Account revenues
- Annual percent change in PEBB medical premiums compared to benchmark group of large Washington public and private employers (adjusted for demographics and benefit design differences)

**GOAL 2:** Quality: Improve the quality of care delivered through the PEBB and BH programs.

Performance Measures:

- Percent of Uniform Medical Plan (UMP) members selecting providers from UMP High Performing Network [2008 and beyond]
- Annual Consumer Assessment of Health Care Providers and Systems (CAHPS) survey of PEBB and BH health plans with focus on overall rating of personal doctor, specialists, and health care
- Percent of increase in utilization of PEBB preventive services after implementation of health risk assessments and wellness initiatives

**STRATEGY:** Enable members and citizens to make healthy, cost effective choices.

Performance Measures:

- Percent of BH enrollees who rated our communication tools excellent to superior
- Percent of PEBB enrollees who rated our communication tools excellent to superior

**STRATEGY:** Purchase health care based on quality and efficiency.

Performance Measures:

- Percent of UMP members with select chronic conditions enrolled in care management programs
- Percent of total PEBB medical expenditures in UMP High Performing Network
- Annual HCA HEDIS survey of PEBB and BH health plans

**INITIATIVE A:** Effectively manage the PEBB and BH benefit portfolios.

Performance Measures:

- Annual increases in PEBB and BH medical benefit costs

**INITIATIVE B:** Implement authorized evidence-based purchasing.

Performance Measures:

- Increase the number of technologies submitted to program from three the first year to eight the second year

**INITIATIVE C:** Improve our communications with members through Plain Talk.

Performance Measures:

- Improve enrollee level of understanding and perceived usefulness of our communications

**INITIATIVE D:** Implement Washington Wellness Works for all state employees, retirees and their dependents.

Performance Measures:

- Increase number of participants who engage in physical activity and healthier eating
- Increase number of participants who participate in tobacco cessation

**GOAL 3:** **Leadership:** Lead in the statewide expansion of access to quality, affordable care.

Performance Measures:

- **Affordability:** Percent of trend of healthcare relative to personal income (Mercer/Millman index)
- **Access:** Percent of uninsured in state (OFM, DOH)
- **Quality:** Washington State performance on AHRQ quality measures

**STRATEGY:** Collaborate to leverage resources, information, and influence.

Performance Measures:

- Increase the number of people/groups in the community database
- Increase the percent of providers using Electronic Medical Records
- Increase the number of Tribal governments involved in Tribal workgroup

**STRATEGY:** Develop affordable options to expand access to target groups.

Performance Measures:

- Increase the percent of children who have access to health care
- Increase the percent of small businesses who have access to health insurance

**INITIATIVE E:** Implement authorized small business assistance program and develop alternatives to expand small business access.

Performance Measures:

- Key milestones reached compared to plan

**INITIATIVE F:** Implement authorized dental, community clinic, and RX purchasing collaboratives.

Performance Measures:

- Increase percentage of target population participating in the RX consortium
- Increase number of patients served in community clinics
- Increase number of dental residents and impact in communities they serve

**INITIATIVE G:** Lead in formulating state policy on Health Information Technology and use of Electronic Medical Records.

Performance Measures:

- Key milestones reached compared to plan

**INITIATIVE H:** Engage partners in collaboratives that support HCA and state priorities.

Performance Measures:

- Improve satisfaction of partners for HCA/state priorities and leadership as a result of our activities

**INITIATIVE I:** Lead in formulating state policy on health planning and Certificate of Need.

Performance Measures:

- Key milestones reached compared to plan

**Goal 4:** **Performance:** Build a high performance HCA organization.

Performance Measures:

- Overall HCA employee survey performance of 4.0 for 2007
- Percent of HCA in "green status" relative to their programs performance measures
- Percent of all HCA programs in "green status" with their customers

**STRATEGY:** Build capacity in organization, skills, and tools needed to achieve our goals.

- Increase the percent of employees in compliance with Performance Development Plan training plan and performance
- Increase the percent of business processes improved
- Achieve DOP's Performance Management confirmation
- Increase percent of employees who say they have the tools they need to do their job

**INITIATIVE J:** Adopt best practices in employee performance management.

Performance Measures:

- Key milestones reached compared to plan
- Improve employee satisfaction with performance development plans

**INITIATIVE K:** Develop HCA employees to build knowledge and skills needed to achieve goals.

Performance Measures:

- Increase percentage of employee development plans established and implemented
- Improve recruitment and retention performance measures

**INITIATIVE L:** Improve service delivery and support processes focused on customers.

Performance Measures:

- Improve customer service adherence and quality
- Key milestones reached compared to plan

**INITIATIVE M:** Improve PEBB eligibility rules by clarifying and resolving outstanding issues.

Performance Measures:

- Improve number of rules reviewed
- Key milestones reached compared to plan

**INITIATIVE N:** Build a five-year strategic plan for information services.

Performance Measures:

- Key milestones reached compared to plan

**INITIATIVE O:** Complete the first phase of the Benefit Administration and Insurance Accounting System (BAIAS) project on time, on budget.

Performance Measures:

- Key milestones reached compared to plan

## **BUSINESS PLAN FOR CERTAIN PROPRIETARY FUNDS**